



Your Seattle City Light

May 13, 2013

Bonneville Power Administration – Transmission Services (“BPAT”)
TechForum@BPA.gov

Subject: BPAT Preemption of Short-Term Requests and Reservations Business Practice,
Version 1

Seattle City Light (“Seattle”) appreciates the opportunity to provide comments to the Bonneville Power Administration Transmission Business Line (“BPAT”) on its proposed Preemption of Short-Term Requests and Reservations Business Practice, Version 1.

Introduction:

Seattle continues to believe that implementation of Short Term Preemption and Competition (“Short-Term Competition”) for transmission service is premature. Seattle’s comments submitted jointly and separately on March 30, 2012 and separately on November 29, 2012 note that Short-Term Competition is a fundamental change in the way BPAT makes short-term transmission available on its system. Accompanying this change is the potential to put load service at risk particularly if Short-Term Competition is implemented with known flaws. As such, Seattle continues to request that BPA delay its implementation of Short-Term Competition until all such flaws can be corrected and the new practices being developed by the NAESB OASIS Subcommittee can be incorporated.

1. Impact of Short-Term Competition. After reviewing historical data, BPAT identified that hourly firm service (including redirects to hourly firm) constituted the majority of its reservation volumes. Based on their review, BPAT concluded that if (a) other drivers did not alter this pattern and (b) it excluded hourly firm service from Short-Term Competition, large-scale market or load service disruptions, reliability standard violations, and commercial damages were unlikely. Consequently, in balancing its objectives to be compliant with its tariff while avoiding large market disturbances, BPAT concluded that it would continue to pursue its aggressive April 2013 implementation plan.

BPAT’s schedule for implementation of Short-Term Competition has been extended to June 2013 to accommodate unexpected delays in project progress. In a recent project update, BPAT staff members indicated that its classification of software “variances” depend upon



the continued assumption that market behavior will remain unaltered and therefore very few reservations will be subject to Short-Term Competition. Consequently, such variances or software flaws which have been classified as lower priority will remain uncorrected prior to implementation.

At its April 2013 Customer Forum, BPA announced that they now intend to limit sales of hourly firm transmission service as early as September 2013 which now calls into question their assumption about the applicability and limited consequences of Short-Term Competition. If BPA limits the availability of hourly firm transmission, Seattle believes it and other similarly situated customers will need to increase the use of daily and possibly weekly firm service - shifting away from the general longstanding practice of relying primarily on hourly firm service in order to ensure reliable and efficient economic dispatch of resources to serve native load and market surplus power.

2. Other Transmission Changes. BPAT has recently implemented two new transmission initiatives that impact Seattle. These are (a) a practical doubling of the number of flowgates and (b) the replacement of the Puget Sound Area Northern Intertie (PSANI) curtailment method with BPAT's integrated Curtailment and Redispatch System (iCRS) curtailment tool. In addition, in early May BPAT, in an effort to manage its *new* NOEL flowgate, employed a relatively new and infrequently used tool "Stop Hourly Sales". This unexpectedly limited Seattle's ability to rely upon hourly firm transmission service to implement a historically normal management plan for meeting its loads and marketing power.

These changes and the employment of the "Stop Hourly Sales" tool create new uncertainties for Seattle and other similarly situated Load Serving Entities (LSEs) with respect to available transmission capacity and feasible generation patterns. Seattle's experience with these changes leads us to conclude that customers will reduce reliance on hourly firm transmission service and shift toward daily and possibly weekly firm service. As such, Short-Term Competition may result in unintended consequences.

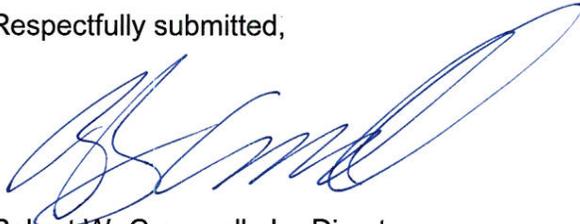
Conclusion. With the identification of new uncertainties, Seattle reiterates its concerns and requests that BPAT delay its implementation of Short-Term Competition until (a) Seattle and other customers can prepare and more effectively respond to BPAT's new initiatives, interim measures and existing tools for limiting sales of hourly service, (b) BPAT reviews, reconsiders and corrects software flaws in light of potentially altered transmission reservation patterns and (c) new practices under development by the NAESB OASIS Subcommittee can be completed and incorporated.

Furthermore, Seattle feels that its previously submitted comments from March 30, 2012 and November 29, 2012 continue to be relevant. Seattle wishes to re-emphasize its concerns that policy related to ensuring equal access to transmission for LSEs relying upon different forms of transmission service is unresolved and the practice of lowering the service Tier priority for short-term redirects enabled by flowgate rights that originate from long-term firm PTP transmission service is flawed.



If BPAT decides to implement Short-Term Competition by June 2013, to the extent there is harm to the market functionality or to individual customers, Seattle urges BPAT to cease its Short-Term Competition implementation.

Respectfully submitted,



Robert W. Cromwell, Jr., Director
Power Contracts & Resource Acquisition
Seattle City Light

cc: Toni Timberman, BPAT - Portland

